

TL-9 - Clean Car Program

Benefit/Cost of reducing CO₂e:

Arizona:	32.5 MMt between 2007-2020; 3.4% of 2020 emissions; -\$90/ton
New Mexico:	10.4 MMt between 2007-2020; 1.9% of 2020 emissions; -\$117/ton
Colorado:	14% reduction potential; -\$100/ton
Montana:	5.2 MMt between 2007-2020; 2% of 2020 emissions; -\$100/ton
Oregon:	6.24 MMt between 2007-2025; 6.5% of 2025 emissions; Cost effective
N. Carolina:	44.5 MMt between 2007-2020; 3% of 2020 emissions; -\$100/ton

Assessment: High Priority. Bin B. 16 out of 22 votes.

This policy option could substantially reduce GHG emissions in the State and result in a cost savings to consumers. However, this is a longer-term option that will require significant effort to implement.

Central to this policy option is the adoption of clean car standards already recognized by California and 12 other states.⁴ Doing so would mean that new vehicles sold in Utah by each manufacturer would need to, on average, be 30 percent more efficient by 2016.

There is a high CO₂ reduction potential, cost savings, and associated energy security and air quality benefits. Due to legal proceedings associated with this option, implementation may not be straightforward. However, in April 2007, the Supreme Court ruled that the EPA has the authority to regulate CO₂ emissions from automobiles. The waiver for this program implementation is currently being decided.

In studies conducted in several western states, the adoption of a clean car program⁵ has consistently been ranked as one of the most cost-effective GHG emissions reduction strategies. This option was also found to have a large impact on total emissions, with projections ranging from 1.9 to 6.5 percent of total statewide emissions.

In the preliminary Utah Energy Efficiency Strategy analysis, this option is highly cost effective and yields very significant CO₂ reductions. The study found that savings in fuel costs over the lifetime of the projected eligible vehicles sold in Utah would equal about \$1.41 billion (present value).⁶ Assuming 2006 price levels, this gives a net economic benefit of \$1.16 billion (2006 dollars) over the life of the vehicles purchased in 2009-2015.⁷ There may be other important economic factors that are not reflected in these numbers. The study also found that if efficiency accounted entirely for the GHG emissions reductions, new vehicles would consume on average 22 percent less fuel in

⁴ These states are: California, Connecticut, Maine, Maryland Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington. States in which this program is being considered include Arizona, New Mexico, Minnesota, Nevada, Tennessee, and Texas.

⁵ This program sets mandatory GHG emissions standards for light-duty vehicles and was enabled by California's AB1493

⁶ This assumes an average 15 year vehicle life, and that gasoline prices remain at their 2006 levels. This cost savings figure is likely conservative due to the likelihood of increasing fuel costs.

⁷ The fuel savings exclude state gasoline tax (24.5 cents per gallon).

2012, and 30 percent less fuel in 2016, than the average vehicle consumed in 2002. In addition, emissions of CO₂ could be reduced by 841,000 short tons in 2015 and by 1.86 million short tons in 2020, with additional upstream reductions.⁸

⁸ Utah Energy Efficiency Strategy, preliminary results from review draft, June 2007